
Housing Committee

HB 2140

Brief Description: Making short-term loans available for low-income housing purposes.

Sponsors: Representatives Pettigrew, Darneille, Ormsby, Chase, Ericks, Dunn, Wood, O'Brien and Santos.

Brief Summary of Bill
<ul style="list-style-type: none">• Authorizes the Department of Community, Trade, and Economic Development to use up to \$5 million dollars annually from the Housing Trust Fund to provide short-term loans, outside of the standard grant or loan approval process, to eligible organizations for property or building acquisition.

Hearing Date: 3/1/05

Staff: Robyn Dupuis (786-7166).

Background:

The Department of Community, Trade and Economic Development (DCTED) has the authority to use moneys from the Housing Trust Fund to finance loans or grant projects that will provide housing for low-income persons. Eligible activities for Housing Trust Fund assistance include new construction and rehabilitation, rent subsidies, housing related social services, shelters, acquisition of low income housing units and down payment assistance.

There exists a formal process by which eligible organizations, local governments and regional support networks, and Indian Tribes may apply for funding. Application periods of at least 90 days duration are announced as often as the DCTED deems appropriate (currently twice a year) and applications are accepted and evaluated only during those periods of time. The review process evaluates the merits of a proposal based on need, readiness, capacity of the organization and the proposed project impact. The review process takes approximately 12 weeks.

Summary of Bill:

The Department of Community, Trade and Economic Development may use up to \$5 million annually from the Housing Trust Fund to provide short-term loans to eligible organizations for property or building acquisition. The organization must secure replacement financing within three years.

A new account, called the "Housing Trust Fund Short Term Financing Account" is created to receive loan repayments from projects funded through the short-term financing program. Expenditures from the account may only be used for short-term financing projects.

Appropriation: None.

Fiscal Note: Requested on February 21, 2005.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.